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## Japan

### Dairy and Products

### Annual Report

### 2008

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**Report Highlights:**

Thus far in 2008, Japan's tightly controlled dairy sector has found it difficult to make the transition from a buyer's to a seller's market, with one symptom being retail butter shortages. Japan's fluid milk output in 2009 is projected slightly higher 8.01 million metric tons (MT) but returns on milk sold for processing will be more attractive than milk sold for beverage use. Dairy producers are among the livestock producers benefiting from massive government assistance to help offset higher feed costs. Japanese domestic cheese production will continue to expand in 2009 to a projected 60,000 MT, mainly due to the addition of several new cheese factories in the dairy region of Hokkaido. U.S. cheese exports will grow modestly to surpass last year's record 7,000MT. Short supplies of butter and possibly of NFDM in 2009 will continue. While U.S. butter was competitive in special import tenders earlier this year, 2009 sales of U.S. butter are expected to be lower. This report contains updated production, supply, and demand (PS&D) data for the Japanese dairy market.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Tokyo [JA1]  
[JA]

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## 2009 Outlook for Fluid Milk, NFDM, Butter and Cheese

### Weak Economy to Slow Sales of High Value Products

Forecast weakness in the economy for 2009 is expected to have a mixed impact on Japan's dairy market. As consumers tighten their belts, sales of relatively expensive food items such as cheese and premium brand desserts (ice cream) may be adversely affected. On the other hand, lower prices for dairy commodities internationally, combined with a strong yen against other major currencies could support imports of cheeses and ingredient dairy commodities such as non-fat dry milk (NFDM) and butter.

### Melamine Tainted Baby Milk to Slash Imports of Frozen/ Processed Foods from China

Already very sensitive to food safety, Japanese consumers have been inundated with press reporting about melamine-tainted dairy products from China. In addition, in late September, Japan's Ministry of Health Labor and Welfare (MHLW) issued an import inspection order requiring companies to test for possible melamine contamination in foods that use Chinese dairy ingredients. This is leading to a greater emphasis on country of origin in consumer marketing campaigns and is influencing purchasing decision by consumers and food ingredient buyers. Other safety incidents involving Chinese products earlier this year led to significant declines in Chinese vegetable and frozen food sales; however, the actual impact on the Japanese dairy market appears to have been limited due to the relatively small volumes of dairy products imported from China.

### GOJ to Support Expanded Production of Fluid Milk for Processing in 2009

Japan's highly managed dairy market did not respond deftly to the shift from a buyer's to a seller's market in 2008. Japanese policy had been geared toward surplus but in 2008 faced high international prices, a pronounced retail butter shortage, expanded processed cheese production, and rapidly depleted NFDM stocks. Policy incentives now again seem to favor production through increased subsidies, such as direct payment for fluid milk for processing and enhanced feed deficiency payments (see [JA8041](#)). Government support for fluid milk production for processing is expected to continue and will reinforce recent investments in Hokkaido (the main dairy production area) into both natural and process cheese production.

Japan's national fluid milk output in 2009 is projected slightly higher 8.01 million metric tons (MT). Increased output in Hokkaido will continue to be offset by reduced output in other regions. Consumption of drinking milk in the country is expected to remain lackluster. However, the rate of production decline in other regions is expected to be fairly modest in 2009. The main reason for this is a 10% increase in the farm gate price for beverage milk that was agreed to by major dairies and farmer organizations. The increase will be effective March 2009 but the farm gate price for beverage use milk has already increased 3 – 4% since April 2008. The projected break down for fluid use in 2009 is 4.40 million MT for drinking (down by 1%) and 3.53 million MT for processing (up by 2%).

### **Supply of Milk for Processing to Remain Tight in 2009**

At the projected levels of output, only limited increases in the production of butter (projected at 75,000 MT, up by 3%) and NFDM (projected at 175,000 MT, up by 3%) will take place. This is because a significant portion of the fluid milk produced in Hokkaido will be diverted to supply expanded cheese production facilities in 2009 (projected at 60,000 MT, up by 9%) and other commodities such as cream for confectionary use (projected 106,000 MT, unchanged). Thus, short supplies of butter and possibly of NFDM in 2009 will continue. .

### **Additional State Purchases of Butter and NFDM Expected in 2009**

In response to tight butter and NFDM stocks, the Government may choose to allow dairy imports above the established WTO Tariff Rate Quota (TRQ). This would be done through the Agriculture & Livestock Industry Corporation (ALIC), a state trading corporation, and could total 1,500-2,000 MT for butter and 10,000 – 15,000 MT for NFDM. These purchases would be made on top of the Japan fiscal year (JFY April-March) 2009 minimum access imports of butter of about 8,600 MT. Additionally, trade sources suggest that Japan's imports of prepared dairy powder products (for ingredient use) could rise in response to tight NFDM supplies. This may result in a slight decline in imports of NFDM.

The causes of the butter shortage are complex. In recent years, the government has discouraged NFDM output, which resulted in lower butter production and diverted milk to cream and cheese production. Prohibitively high duties on butter prevented traders from responding to an unexpected increase in demand. In July, in response to a well publicized shortage of butter, the Japanese government allowed special import tenders for up to 5,000 MT over and above normal (WTO) minimum access imports. In the first 2,500 MT tender, U.S. suppliers won the biggest share (969 MT or about \$6.4 million). However, for 2009, lower prices, coupled with weak Euro relative to the yen, may favor EU suppliers and limit opportunities for U.S. butter.

### **A Small Bounce Back of Cheese Imports to Occur in 2009**

Amid a weakening economy, value-priced cheeses may sell well in 2009. Cheese imports are projected up by 2% to 210,000 MT. A recovery in milk production in Australia and New Zealand, coupled with lower prices for cheeses, should help sales.

Australia and New Zealand are particularly strong suppliers of natural cheeses in the zero tariff quota categories (See note). In addition, a strong yen against the Euro and lower prices for EU cheeses may result in additional competition for American and Argentine cheese suppliers in 2009. EU cheeses for retail sale have strong support from consumers in terms of image and variety. Thus, Japanese imports of American cheeses in 2009 are projected to grow only slightly to be around 7,000 MT.

[Note: Japan provides different tariff treatment for cheeses based in part on use. Natural cheeses for direct consumption (the EU is particularly strong in this category) have average tariffs of between 20 – 30%. Processed cheeses have a higher 40% tariff. Separately, natural cheeses imported under the zero duty tariff rate quota (TRQ) must be blended with domestic cheese in the production of processed cheese. Australia and New Zealand have been especially competitive in

this import category. Example: The Japanese firms Meiji, Morinaga and Snow Brand produce processed cheese slices for sandwiches. Last year, the Japanese government provided a zero duty TRQ for 66,700 MT under HS 040690.010 for this use.]

### **Domestic Cheese Production to Expand Further in 2009**

Japanese domestic cheese production will continue to expand in 2009 to a projected 60,000 MT. The main reason for the growth is the addition of several new cheese factories in Hokkaido.

## **2008 Market Situation and Update for Milk, Butter, NFDM and Cheese**

### **Cost Pressures Lead to Higher Prices in 2008**

Japanese dairy producers, facing significantly higher feeds costs, have been forced to negotiate higher prices, which are being passed through to the consumer level. This has been supported by higher import prices. Price hikes ranging from 5% - 20% for milk and dairy products sold at the retail level have been common through the third quarter of 2008. Also, bulk ingredient wholesale prices of butter and NFDM have trended up reflecting tightened supplies (See table 8)

### **Subsidies Help to Raise Fluid Milk Outputs for Processing in Hokkaido**

To cope with soaring international prices of dairy products and increased demand for processing milk for cheese production in Hokkaido, the Japanese government and dairy industry have taken several measures:

- In JFY 2008 (April 08 – March 09), the subsidy payment level for fluid milk for processing was increased (up by 1.0 yen to 11.55 yen per kg.). Also, the production quota was increased by 90,000 MT over the established level of 1.95 million MT (See table 2). In an unusual move by the government, the subsidy level was raised further by 0.30 yen to 11.85 yen per kg in the middle of the same fiscal year. It should be noted that beverage milk prices have not correspondingly increased and this is causing hardship for farmers outside of Hokkaido who are more dependent on beverage milk sales.
- In response to a shortage, the Japanese government imported and released 13,600 MT of butter during in 2008. This included fully committing the dairy minimum access for JFY 2008 to butter (8,600 MT). Then, the government decided to import an additional 5,000 MT through ALIC, a state trading corporation to ease the butter shortage.
- As international prices of feed grains soared in the first half of the year, users of formula mixed feeds suffered a number of price hikes. In response, this June Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced a 45 billion yen (\$415 million) feed price stabilization subsidy. Japan is heavily dependent on imported feed, much of which comes from the United States (see [JA8041](#)).

### **Processing Milk in Short Supply**

Japan's national fluid milk output in 2008 is projected to marginally decrease to 7.99 million MT. Higher output in Hokkaido is expected to be offset by lower output in other regions. Of this total, 4.45 million MT is projected to be sold as beverage milk (down 2%) and 3.46 million MT for will be used for processing (up 2%). There will not be enough processing milk produced in 2008 to simultaneously boost cheese, butter and NFDM production. In fact, expanded domestic cheese production has caused reduced availability of fluid milk for domestic butter and NFDM. Based on Jan. – Aug. data, 2008 output is projected 3% lower to 73,000 MT for butter and 2% lower to 170,000 MT for NFDM (See table 4).

### **Surplus NFDM Wiped Out in 2008**

Another market development in 2008 was that Japan's surplus NFDM dissipated as the result of lower production and strong ingredient demand. High world market prices for dairy commodities made domestic NFDM attractive to domestic users.

### **Japanese Cheese Imports Lower in 2008**

High import prices, up by 40 – 50% on the average, were the major stumbling block to an expansion of cheese imports in 2008. Japanese total cheese imports in 2008 are projected to dip by 9% to 205,000 MT.

**Table 1: Japanese Household Consumption of Dairy Commodities**

Table 3. Japanese Per Household Consumption of Dairy Commodities (Two or More)						
	Quantity					
	Unit	2006 Jan/Dec	2007 Jan/Dec	% Chg. Jan/Dec	2008 Jan/July	% Chg. Jan/July
Milk	Liter	94.24	90.90	-4%	50.03	-4%
Cheese	gram	571	571	0%	1,318	-5%
Butter	gram	507	500	-1%	294	1%
Margarine	gram	1,383	1,381	0%	880	6%
Yogurt						
Milk Beverage						
Lactic Acid Bacteria Drink						
Ice Cream						
Powdered Milk	gram	556	463	-17%	270	-4%
Bread	gram	44,497	45,238	2%	26,732	-1%
	Expenditure					
	Unit	2006 Jan/Dec	2007 Jan/Dec	% Chg. Jan/Dec	2008 Jan/July	% Chg. Jan/July
Milk	Yen	17,987	17,237	-4%	9,600	-3%
Cheese	Yen	3,151	3,315	5%	2,022	8%
Butter	Yen	687	721	5%	491	18%
Margarine	Yen	752	755	0%	505	13%
Yogurt	Yen	8,047	7,950	-1%	4,700	1%
Milk Beverages	Yen	1,035	1,105	7%	600	1%
Lactic Acid Bacteria Drink	Yen	3,021	3,478	15%	1,942	-2%
Ice Cream	Yen	6,823	7,081	4%	4,136	8%
Powdered Milk	Yen	1,015	850	-16%	495	0%
Bread	Yen	26,559	27,096	2%	16,652	3%

Source: Household Statistic Ministry of Internal Affairs and Communications (Daily Dairy News, September 1<sup>st</sup> Issue for Jan. – July data)

**Table 2: Government subsidy Payment and Eligible Fluid Milk Quota for Processing**

Unit Subsidy Payment				Eligible Volume	
JFY1995 (Japan Fiscal Year Apr. – Mar.)	11.49	yen/kg	deficiency payment	2.30	million MT
JFY1996	11.49	yen/kg	deficiency payment	2.30	million MT
JFY1997	10.87	yen/kg	deficiency payment	2.40	million MT
JFY1998	10.84	yen/kg	deficiency payment	2.40	million MT
JFY1999	10.80	yen/kg	deficiency payment	2.40	million MT
JFY2000	10.30	yen/kg	deficiency payment	2.40	million MT
JFY2001	10.30	yen/kg	direct payment	2.27	million MT
JFY2002	11.00	yen/kg	direct payment	2.20	million MT
JFY2003	10.74	yen/kg	direct payment	2.10	million MT
JFY2004	10.52	yen/kg	direct payment	2.10	million MT
JFY2005	10.40	yen/kg	direct payment	2.05	million MT
JFY2006	10.40	yen/kg	direct payment	2.03	million MT
JFY2007	10.55	yen/kg	direct payment	1.98	million MT
JFY 2008	11.55	yen/kg	direct payment	1.95	million MT
<b>JFY 2008 (Revised)</b>	<b>11.85</b>	<b>yen/kg</b>	<b>direct payment</b>	<b>1.95</b>	<b>million MT</b>

Monthly Livestock Statistics, Agriculture & Livestock Industry Corporation (ALIC): [http://lin.lin.go.jp/alic/status/dome/data2/e\\_nstatis.htm](http://lin.lin.go.jp/alic/status/dome/data2/e_nstatis.htm)  
 Data are taken from Japanese site and compiled by post. Note: Eligible volume for fiscal year has actually been shored up by 90,000 MT on top of the officially indicated level (See JA 8030)

**Table 3: Japanese Utilization of Fluid Milk for Drinking Use Category YTD**

Unit: 1,000 Kilo Liters						
	2006	2007	% Chg.	2007	2008	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Aug	Jan/Aug	Jan/Aug
Regular Milk	3,702	3,592	-3%	2,376	2,324	-2%
Processed Milk	449	446	-1%	298	292	-2%
Milk Beverages	1,242	1,312	6%	866	841	-3%
Fermented Milk	839	844	1%	570	557	-2%
Lactic Acid Bacteria Drinks	166	173	4%	118	120	2%

Note: Processed Milk: low fat, high fat, vitamin and mineral fortified, calcium enriched  
 Milk Beverages: flavored milk (coffee and fruits flavored)  
 Fermented Milk: Yogurt etc.

Monthly Livestock Statistics, Agriculture & Livestock Industry Corporation (ALIC): [http://lin.lin.go.jp/alic/status/dome/data2/e\\_nstatis.htm](http://lin.lin.go.jp/alic/status/dome/data2/e_nstatis.htm)  
 Data are taken from Japanese site and compiled by post.

**Table 4: Japanese Production of Processed Milk Products**

Unit: Metric Ton						
	2006	2007	% Chg.	2007	2008	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Aug	Jan/Aug	Jan/Aug
Butter	80,477	75,058	-7%	54,885	52,818	-4%
Cream	95,567	103,109	8%	65,978	68,469	4%
Whole Milk Powder	13,794	14,027	2%	10,201	10,689	5%
Prepared Milk Powder	31,189	30,039	-4%	19,624	19,528	0%
Skim Milk Powder (NFDM)	180,750	172,545	-5%	122,024	112,954	-7%
Ice Cream (Unit: kilo liter)	128,585	134,035	4%	89,305	85,513	-4%

Monthly Livestock Statistics, Agriculture & Livestock Industry Corporation (ALIC): [http://lin.lin.go.jp/alic/status/dome/data2/e\\_nstatis.htm](http://lin.lin.go.jp/alic/status/dome/data2/e_nstatis.htm)  
Data are taken from Japanese site and compiled by post.

**Table 5: Japanese Imports of Non Fat Dry Milk**

Unit: Metric Ton						
	2006	2007	% Chg.	2007	2008	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Aug	Jan/Aug	Jan/Aug
For School Lunch Program	2,568	2,405	-6%	1,800	1,675	-7%
For Feeds	24,677	31,032	26%	19,950	16,312	-18%
For Other Use (Current Access)	4,817	2,351	-51%	1,284	1,615	26%
Total NFDM Imports	32,062	35,788	12%	23,034	19,602	-15%

Monthly Livestock Statistics, Agriculture & Livestock Industry Corporation (ALIC): [http://lin.lin.go.jp/alic/status/dome/data2/e\\_nstatis.htm](http://lin.lin.go.jp/alic/status/dome/data2/e_nstatis.htm)  
Data are taken from Japanese site and compiled by post.

**Table 6-1: Japanese Cheese Imports (Year to Date), 2008**

Unit: Metric Ton (Customs Clearance Basis)					
Rank	Country	2006	2007	2008	% Change
		Jan/Aug	Jan/Aug	Jan/Aug	- 08/07 -
		Jan/Aug	Jan/Aug	Jan/Aug	Jan/Aug
0	--World--	132,148	146,943	123,552	-16%
1	Australia	55,414	63,217	58,695	-7%
2	New Zealand	36,513	42,153	34,580	-18%
3	Denmark	6,429	6,213	5,138	-17%
4	Germany	7,297	7,289	5,077	-30%
5	United States	3,232	4,703	4,856	3%
6	France	4,899	4,604	4,262	-7%
7	Netherlands	5,506	5,051	3,705	-27%
8	Italy	3,579	4,170	3,423	-18%
9	Argentina	3,078	5,910	2,468	-58%
10	Others	6,201	3,633	1,348	-63%

Source of data: Japan Customs (World Trade Atlas)

**Table 6-2: Average C&F Price of Japanese Cheese Imports (Year to Date), 2008**

Unit: U.S. Dollars per kg					
Rank	Country	US \$/ KG - 2006	US \$/ KG - 2007	US \$/ KG - 2008	% Change - 08/07 -
		Jan/Aug	Jan/Aug	Jan/Aug	Jan/Aug
0	--World--	3.48	3.54	5.27	49%
1	Australia	2.91	2.95	4.55	54%
2	New Zealand	2.89	2.94	4.65	58%
3	Denmark	4.72	4.96	7.05	42%
4	Germany	3.11	3.43	5.21	52%
5	United States	7.03	6.03	7.24	20%
6	France	7.16	7.43	9.12	23%
7	Netherlands	3.72	4	6.04	51%
8	Italy	8.71	9.31	12.01	29%
9	Argentina	2.85	2.78	4.6	65%

Source of data: Japan Customs (World Trade Atlas)

**Table 6-3: Japanese Cheese Imports, 2007**

Unit: Metric Ton (Customs Clearance Basis)						
Rank	Country	2005	2006	2007	% Change - 07/06 -	% Share CY 2007
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	211,692	207,420	225,081	9%	100%
1	Australia	93,157	87,642	97,029	11%	43%
2	New Zealand	55,226	57,304	65,259	14%	29%
3	Germany	12,704	11,402	10,876	-5%	5%
4	Denmark	10,266	9,836	9,192	-7%	4%
5	Argentina	2,590	5,084	8,885	75%	4%
6	Netherlands	8,278	8,487	7,668	-10%	3%
7	France	7,676	8,020	7,521	-6%	3%
8	United States	3,817	4,904	6,834	39%	3%
9	Italy	5,420	5,661	6,495	15%	3%
10	Others	12,558	9,079	5,323	-41%	2%

Source of data: Japan Customs (World Trade Atlas)

**Table 6-4: Average C&F Price of Japanese Cheese Imports, 2007**

Unit: US Dollars per Kg.					
Rank	Country	US \$/ KG - 2005	US \$/ KG - 2006	US \$/ KG - 2007	% Change - 07/06 -
		Jan/Aug	Jan/Aug	Jan/Aug	Jan/Aug
0	--World--	3.47	3.48	3.74	7%
1	Australia	2.88	2.9	3.1	7%
2	New Zealand	2.9	2.85	3.13	10%
3	Germany	3.15	3.15	3.68	17%
4	Denmark	4.78	4.74	5.22	10%
5	Argentina	2.75	2.83	2.96	5%
6	Netherlands	3.82	3.77	4.26	13%
7	France	7.32	7.3	7.67	5%
8	United States	7.77	6.91	6.34	-8%
9	Italy	9.06	8.88	9.82	11%

Source of data: Japan Customs (World Trade Atlas)

**Table 7-1: Japanese Butter Imports (Year to Date), 2008**

Unit: Metric Ton (Customs Clearance Basis)					
Rank	Country	2006	2007	2008	% Change - 08/07 -
		Jan/Aug	Jan/Aug	Jan/Aug	Jan/Aug
0	--World--	2,075	5,975	9,918	66%
1	United States	6	5	3,193	58581%
2	Australia	281	284	2,778	877%
3	New Zealand	261	118	2,387	1920%
4	Netherlands	1,283	3,712	966	-74%
5	Ireland	0	0	301	-
6	Germany	100	831	197	-76%
7	France	65	101	89	-12%
8	Denmark	6	404	4	-99%
9	Belgium	73	518	2	-100%
10	Others	0	1	1	9%

Source of data: Japan Customs (World Trade Atlas)

**Table 7-2: Average C&F Price of Japanese Butter Imports (Year to Date), 2008**

Unit: US Dollars per Kg.					
Rank	Country	US \$/ KG - 2006	US \$/ KG - 2007	US \$/ KG - 2008	% Change
		Jan/Aug	Jan/Aug	Jan/Aug	- 08/07 - Jan/Aug
0	--World--	2.9	3.03	4.28	41%
1	United States	5.41	5.54	3.71	-33%
2	Australia	2.81	2.7	4.06	50%
3	New Zealand	2.36	2.26	4.23	87%
4	Netherlands	2.7	3	5.44	81%
5	Ireland	0	0	4.42	-
6	Germany	2.7	2.94	5.92	101%
7	France	9.39	9.71	16.25	67%
8	Denmark	4.43	2.69	7.67	185%
9	Belgium	2.81	2.67	8.59	222%

Source of data: Japan Customs (World Trade Atlas)

**Table 7-3: Japanese Butter Imports, 2007**

Unit: Metric Ton (Customs Clearance Basis)						
Rank	Country	2005	2006	2007	% Change	% Share
		Jan/Dec	Jan/Dec	Jan/Dec	- 07/06 - Jan/Dec	CY 2007 Jan/Dec
0	--World--	5,510	3,914	11,384	191%	100%
1	Netherlands	2,386	1,730	6,152	256%	54%
2	Australia	1,300	1,217	2,002	64%	18%
3	Germany	1,328	100	1,720	1618%	15%
4	Denmark	28	331	700	112%	6%
5	Belgium	317	122	519	324%	5%
6	New Zealand	84	312	144	-54%	1%
7	France	53	96	139	45%	1%
8	United States	10	6	5	-2%	0%
9	Others	5	1	2	171%	0%

Source of data: Japan Customs (World Trade Atlas)

**Table 7-4: Average C&F Price of Japanese Butter Imports, 2007**

Unit : US Dollars per Kg.					
Rank	Country	-/ KG - 2005	-/ KG - 2006	-/ KG - 2007	% Change
		Jan/Dec	Jan/Dec	Jan/Dec	- 07/06 -
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	2.91	2.86	3.72	30%
1	Netherlands	2.76	2.73	3.79	39%
2	Australia	2.9	2.62	2.99	14%
3	Germany	2.75	2.7	4.12	53%
4	Denmark	3.5	2.67	3.78	42%
5	Belgium	3.01	2.81	2.68	-5%
6	New Zealand	2.54	2.28	2.34	3%
7	France	12.53	10.99	11.62	6%
8	United States	7.13	5.41	5.54	2%

Source of data: Japan Customs (World Trade Atlas)

**Table 8: Wholesale Price Dairy Products for Bulk Users (Year to Date), 2008**

Butter (Yen/Kg.)									
	2004	2005	% Chg.	2006	% Chg.	2007	% Chg.	2008	% Chg.
Jan	962	951	-1%	947	0%	944	0%	984	4%
Feb	962	951	-1%	947	0%	944	0%	995	5%
Mar	962	951	-1%	947	0%	944	0%	1,016	8%
Apr	958	949	-1%	947	0%	944	0%	1,060	12%
May	957	949	-1%	947	0%	944	0%	1,074	14%
Jun	953	948	-1%	948	0%	945	0%	1,091	15%
July	950	948	0%	950	0%	946	0%	1,124	19%
Aug	951	948	0%	943	-1%	950	1%	1,136	20%
Sept	950	948	0%	943	-1%	956	1%	0	-100%
Oct	949	947	0%	943	0%	965	2%	0	-100%
Nov	951	948	0%	944	0%	968	3%	0	-100%
Dec	951	947	0%	944	0%	977	3%	0	-100%

  

NFDM (Yen/25 Kg.)									
	2004	2005	% Chg.	2006	% Chg.	2007	% Chg.	2008	% Chg.
Jan	13,480	13,272	-2%	13,076	-1%	13,004	-1%	13,300	2%
Feb	13,480	13,254	-2%	13,071	-1%	13,019	0%	13,327	2%
Mar	13,480	13,258	-2%	13,062	-1%	13,019	0%	13,505	4%
Apr	13,444	13,254	-1%	13,062	-1%	13,019	0%	14,096	8%
May	13,434	13,237	-1%	13,047	-1%	13,019	0%	14,311	10%
Jun	13,371	13,233	-1%	13,005	-2%	13,041	0%	14,646	12%
July	13,370	13,223	-1%	13,020	-2%	13,049	0%	14,697	13%
Aug	13,354	13,197	-1%	13,013	-1%	13,063	0%	14,769	13%
Sept	13,353	13,189	-1%	13,010	-1%	13,078	1%	0	-100%
Oct	13,289	13,173	-1%	13,002	-1%	13,136	1%	0	-100%
Nov	13,286	13,078	-2%	13,001	-1%	13,146	1%	0	-100%
Dec	13,278	13,090	-1%	13,007	-1%	13,257	2%	0	-100%

Monthly Livestock Statistics, Agriculture & Livestock Industry Corporation (ALIC): [http://lin.lin.go.jp/alic/statis/dome/data2/e\\_nstatis.htm](http://lin.lin.go.jp/alic/statis/dome/data2/e_nstatis.htm)  
 Data are taken from Japanese site and compiled by post.

## Fluid Milk PS&amp;D Table

Dairy, Milk, Fluid Japan	2007			2008			2009		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed			Annual Data Displayed			Annual Data Displayed		
	USDA Official	Previous Post data	New Post Data	USDA Official	Previous Post data	New Post Data	USDA	New Post Data	Unit
Cows In Milk	890	871	871	895	875	862		865	(1000 HEAD)
Cows Milk Production	8007	8007	8007	8100	8100	7990		8010	(1000 MT)
Other Milk Production	0	0	0	0	0	0		0	(1000 MT)
Total Production	8007	8007	8007	8100	8100	7990		8010	(1000 MT)
Other Imports	0	0	0	0	0	0		0	(1000 MT)
Total Imports	0	0	0	0	0	0		0	(1000 MT)
Total Supply	8007	8007	8007	8100	8100	7990		8010	(1000 MT)
Other Exports	0	0	0	0	0	0		0	(1000 MT)
Total Exports	0	0	0	0	0	0		0	(1000 MT)
Fluid Use Dom. Consum.	4521	4521	4521	4405	4455	4450		4400	(1000 MT)
Factory Use Consum.	3402	3402	3402	3610	3560	3455		3525	(1000 MT)
Feed Use Dom. Consum.	84	84	84	85	85	85		85	(1000 MT)
Total Dom. Consumption	8007	8007	8007	8100	8100	7990		8010	(1000 MT)
Total Distribution	8007	8007	8007	8100	8100	7990		8010	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0		0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0		0	(1000 MT)

**Butter PS&D Table**

<b>Dairy, Butter Japan</b>	<b>2007</b>			<b>2008</b>			<b>2009</b>		
	<b>Market Year Begin: Jan 2007</b>			<b>Market Year Begin: Jan 2008</b>			<b>Market Year Begin: Jan 2009</b>		
	<b>Annual Data Displayed</b>			<b>Annual Data Displayed</b>			<b>Annual Data Displayed</b>		
	<b>USDA Official</b>	<b>Previous Post data</b>	<b>New Post Data</b>	<b>USDA Official</b>	<b>Previous Post data</b>	<b>New Post Data</b>	<b>USDA</b>	<b>New Post Data</b>	<b>Unit</b>
Beginning Stocks	22	22	22	16	16	16		18	(1000 MT)
Production	75	75	75	82	82	73		75	(1000 MT)
Other Imports	11	11	11	13	8	14		10	(1000 MT)
Total Imports	11	11	11	13	8	14		10	(1000 MT)
Total Supply	108	108	108	111	106	103		103	(1000 MT)
Other Exports	0	0	0	0	0	0		0	(1000 MT)
Total Exports	0	0	0	0	0	0		0	(1000 MT)
Domestic Consumption	92	92	92	90	90	85		85	(1000 MT)
Total Use	92	92	92	90	90	85		85	(1000 MT)
Ending Stocks	16	16	16	21	16	18		18	(1000 MT)
Total Distribution	108	108	108	111	106	103		103	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	3		2	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0		0	(1000 MT)

## NFDM PS&amp;D Table

Dairy, Milk, Nonfat Dry Japan	2007			2008			2009		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed			Annual Data Displayed			Annual Data Displayed		
	USDA Official	Previous Post data	New Post Data	USDA Official	Previous Post data	New Post Data	USDA	New Post Data	Unit
Beginning Stocks	64	64	64	38	38	38		33	(1000 MT)
Production	173	173	173	195	195	170		175	(1000 MT)
Other Imports	36	36	36	40	40	35		50	(1000 MT)
Total Imports	36	36	36	40	40	35		50	(1000 MT)
Total Supply	273	273	273	273	273	243		258	(1000 MT)
Other Exports	0	0	0	0	0	0		0	(1000 MT)
Total Exports	0	0	0	0	0	0		0	(1000 MT)
Human Dom. Consumption	204	204	204	200	200	185		190	(1000 MT)
Other Use, Losses	31	31	31	35	35	25		30	(1000 MT)
Total Dom. Consumption	235	235	235	235	235	210		220	(1000 MT)
Total Use	235	235	235	235	235	210		220	(1000 MT)
Ending Stocks	38	38	38	38	38	33		38	(1000 MT)
Total Distribution	273	273	273	273	273	243		258	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0		0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0		0	(1000 MT)

## Cheese PS&amp;D Table

Dairy, Cheese Japan	2007			2008			2009		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed			Annual Data Displayed			Annual Data Displayed		
	USDA Official	Previous Post data	New Post Data	USDA Official	Previous Post data	New Post Data	USDA	New Post Data	Unit
Beginning Stocks	15	15	15	15	15	15	15	(1000 MT)	
Production	43	43	43	47	47	55	60	(1000 MT)	
Other Imports	225	225	225	215	215	205	210	(1000 MT)	
Total Imports	225	225	225	215	215	205	210	(1000 MT)	
Total Supply	283	283	283	277	277	275	285	(1000 MT)	
Other Exports	0	0	0	0	0	0	0	(1000 MT)	
Total Exports	0	0	0	0	0	0	0	(1000 MT)	
Human Dom. Consumption	268	268	268	262	262	260	270	(1000 MT)	
Other Use, Losses	0	0	0	0	0	0	0	(1000 MT)	
Total Dom. Consumption	268	268	268	262	262	260	270	(1000 MT)	
Total Use	268	268	268	262	262	260	270	(1000 MT)	
Ending Stocks	15	15	15	15	15	15	15	(1000 MT)	
Total Distribution	283	283	283	277	277	275	285	(1000 MT)	
CY Imp. from U.S.	7	7	7	6	6	7	7	(1000 MT)	
CY. Exp. to U.S.	0	0	0	0	0	0	0	(1000 MT)	